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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2018/2019

BEM2044 – THE ECONOMY OF MALAYSIA (All Sections/Groups)

15 OCTOBER 2018
2.30 pm - 4.30 pm
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. Including the cover page, this question paper consists of **FIVE (5)** pages of Section A and Section B questions.
2. Section A consists of **ONE (1)** case study and Section B consists of **TWO (2)** structured questions.
3. The marks for each question are given at the end of each question. The total marks for this examination are 100.
4. Answer **ALL** questions in the answer booklet provided.

SECTION A: CASE STUDY (60 MARKS)

The 5 Spots In Asia That Are Booming With Tourists In 2018

Last year was a busy one for the travel industry worldwide; outbound trips increased by 6% according to the World Travel Monitor. And, it's expected to increase a further 5% this year.

At the Internationale Tourismus-Börse (ITB) Berlin, the world's biggest travel trade show, tourism reps from countries around the world compete for the attentions and bookings of tourists from all over the world, as well as the businesses that will bring them in. For Asia in particular, where interest from Europe has always been high, there's been a marked uptick in certain countries with more tourism expected than in previous years. What are the hottest spots in Asia this year, and why?

The Philippines with its improved connectivity & infrastructure

The Philippines might have suffered **some setbacks in recent years** due to negative press around the southern island of Mindanao, but Tourism Representative Margarita Valdes remains optimistic. While she admits they still face challenges in promoting the country, especially in perceptions regarding safety and connectivity, she said such issues are already being addressed.

New international connections are opening up with Qatar Airways recently announcing new regular flights from Doha to Cebu and Davao, adding to their existing flights to Manila and Clark. The airline flies from Munich, Berlin and Frankfurt, and other major European cities. With recent **improvements in local infrastructure**, top tourist destinations are now being served by domestic airports with frequent flights to and from the country's major cities.

"Whatever challenges we may have in any market, it is encouraging to see that the Philippines' total tourism figures still continue to grow, which is a strong indication of a global interest for travelling to the Philippines and experiencing the fun on our shores," Valdes said. The Philippines reported a **10.96% growth in tourism arrivals for 2017**. That translates to 6.6 million tourists, with over 675,000 of them coming from Europe –a 7.3 % increase from the year before.

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Japan with its stellar safety record

With the World Travel Monitor reporting that about 41% of international travellers this year are set to change their plans due to terror threats and 33% looking into changing their travel plans to safer destinations, **stable Japan remains a top choice for travellers going to Asia.**

Jenny Alisa Bergold of the Tokyo Tourism Board said that in 2017, 180,000 tourists from Germany travelled to Tokyo, with these numbers growing every year. "When people go to Japan, they know they can have a **worry-free holiday**," Bergold said. This, she added, is the city's major attraction. "It's a crazy but traditional megacity – and it's very safe," she added.

Malaysia for medical tourism

Malaysia, meanwhile, is expected to receive more tourists due to **increased connectivity and its rising popularity as a medical tourism destination**. Germany's Condor Airlines is launching direct flights between Frankfurt and Kuala Lumpur in November. This will make things easier for Europeans looking for affordable, health alternatives.

With Kuala Lumpur's Prince Court Medical Centre a permanent fixture in the Medical Travel Quality Alliance's annual list of **Top 10 Hospitals for Medical Tourists**, the country is becoming synonymous with treatment and recovery while on vacation.

Malaysia has also set an ambitious target of boosting visitor numbers to 36 million by 2020, and is expected to push for more promotional efforts abroad, even signing up as the partner country for International Tourism Board in 2019.

Indonesia battles over-tourism

Bali has always been a popular destination for tourists from the west looking for something distinctly Asian. The same World Travel Monitor report said around **25% of all international tourists had the feeling that their destination had been "overcrowded" in 2017**. Around 9% even said that this directly affected the quality of their holiday.

With a growth of 22% in tourist arrivals last year, Indonesia's tourism ministry is now looking into **working with wholesalers, tour operators and airlines** to bring more people in other parts of the country.

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"We believe that one of the key factors in boosting the numbers is working together with them to reach Business to Business (B2B) and Business to Customer (B2C)," said Deputy Tourism Minister for Marketing Nia Niscaya. "It's still **challenging to promote Indonesia because people tend to focus on Bali**," she added while noting that the small island accounts for almost half of their tourist arrivals every year.

South Korea with *hallyu*

It seems like there is **no stopping the Korean Wave (hallyu)**, and its tourism industry continues to reap the rewards. "It's our attractive historical traditions," Seoul Tourism Organization's Jiyoong Jung said when asked about what makes Korea attractive to tourists from all parts of the globe. "And for the younger people, they like Korean music and drama."

Filming locations of popular Korean dramas like *Goblin*, *My Love from Another Star*, and *Descendants of the Sun*, attract hoards of fans not just to Seoul but in nearby towns as well. **In the first two months of 2018, over two million tourists have already visited South Korea.**

Source: Ramoran-Malasig, C. (2018, March 28). The 5 Spots In Asia That Are Booming With Tourists In 2018. Retrieved from <https://www.forbes.com/sites/cmalasig/2018/03/28/business-booming-travel-industry-itb/#61325cfe3459>

Read the above article and answer the following questions:

- a) Refer to the article, describe any **TWO (2)** actions implemented by Philippines to overcome their setbacks in the recent year. (8 marks)
- b) Give a reason why Japan remains a top choice for travelers. (4 marks)
- c) What is Medical Tourism? Explain. (4 marks)
- d) List and explain any **THREE (3)** factors that affect medical tourism industry in Malaysia. (12 marks)
- e) Suggest any **TWO (2)** methods to boost medical tourism industry in Malaysia. Discuss. (12 marks)
- f) "It's still challenging to promote Indonesia because people tend to focus on Bali" Recommend a method for Indonesia to divert their tourists' attention to other tourism destinations such as Lombok Island. (4 marks)

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g) Discuss any **FOUR (4)** positive socio-economic impacts of tourism in Malaysia.
(16 marks)

SECTION B: STRUCTURED QUESTIONS (40 MARKS)

Question 1 (20 marks)

a) Describe any **FOUR (4)** objectives of Vision 2020. (8 marks)

b) List and explain any **THREE (3)** challenges faced by Malaysia's agricultural sector.
(12 marks)

Question 2 (20 marks)

a) List and justify any **FOUR (4)** phases of economic integration. (12 marks)

b) Describe any **FOUR (4)** barriers faced by Malaysia towards knowledge-based economy.
(8 marks)

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